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ELLSWORTH C. ALVORD (1964)

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RECORDATION NO. 22935-B FILED

APR 03 '01 1:57 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL  
URBAN A. LESTER

April 3, 2001

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Amendment Number 1 to Lease Agreement, dated as of March 29, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease Agreement which was previously filed with the Board under Recordation Number 22935.

The names and addresses of the parties to the enclosed document are:

Lessor: Firstar Bank, N.A.  
425 Walnut Street  
Cincinnati, OH 45202

Lessees: Kasgro Leasing, LLC  
Kasgro Rail Corp.  
320 East Cherry Street  
New Castle, PA 16102

A description of the railroad equipment covered by the enclosed document is:

22 railcars bearing LNAL reporting marks and road numbers previously filed with the Lease and Lease Supplement No. 1

Mr. Vernon A. Williams  
April 3, 2001  
Page Two

A short summary of the document to appear in the index follows:

Amendment No. 1 to Lease Agreement between Firststar Bank,  
N.A. Lessor, and Kasgro Leasing, LLC and Kasgro Rail Corp.,  
Lessees.

Also enclosed is a check in the amount of \$28.00 payable to the order of the  
Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/anm  
Enclosures

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AMENDMENT NUMBER 1 TO LEASE AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS AMENDMENT NUMBER 1 TO LEASE AGREEMENT (this "Amendment") is made and entered into as of March 29, 2001 among Firststar Bank, N.A., a national banking association ("Lessor"), Kasgro Leasing, LLC ("Kasgro Leasing"), and Kasgro Rail Corp. ("Kasgro Rail") (Kasgro Leasing and Kasgro Rail Corp. collectively hereinafter referred to as "Lessee").

## RECITALS:

I. Lessor and Lessee are parties to that certain Lease Agreement dated as of May 19, 2000 as heretofore supplemented and/or amended from time to time (the "Lease").

II. Lessor and Lessee now mutually desire to amend the Lease in part, as further specified in this Amendment.

NOW, THEREFORE, in consideration of the recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

A. Capitalized terms used, but not otherwise defined, in this Amendment shall have the meanings provided in the Lease unless the context clearly requires otherwise.

B. The Lease is hereby amended to restate Section 12(b)(i) to read in its entirety as follows:

(i) To secure payment of the Rent and any other obligation of Lessee to Lessor under this Lease or any other Operative Document to which Lessee is a party, Lessee hereby assigns and transfers to Lessor, and grants to Lessor, with respect to any and all Railcars leased by Lessor to Lessee, a security interest in, Lessee's right, title and interest in and to each now existing and hereafter arising sublease and use agreement, all guarantees, security deposits or other security or collateral provided by a sublessee, user or other person as security for the sublessee's, user's or other person's obligations under a sublease, use agreement, and all other agreements provided by a sublessee, user, or other Person in connection with a sublease, use agreement or similar arrangement, including, without limitation, all chattel paper evidencing or relating thereto (such guarantees, security deposits, chattel paper, other security or collateral and other agreements being the "Related Documents") and all proceeds of any of the foregoing (collectively, the "Collateral"). In connection with the foregoing, Lessee shall deliver to Lessor any such chattel paper or similar instruments.

C. The Lease is hereby amended to add a new Section 14(e) to read in its entirety as follows:

(c) Lessee does hereby irrevocably constitute and appoint Lessor and its successors and assigns its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Collateral, with full power to settle, adjust or compromise any claim thereunder as fully as Lessor could itself do, and to endorse the name of Lessee on all instruments or commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of Lessee or otherwise, which Lessor may deem necessary in its reasonable discretion to perfect, protect and preserve the right, title and interest of Lessor in and to such Collateral and the security intended to be afforded hereby. This power of attorney is coupled with an interest. Lessee hereby ratifies all actions that may be taken by Lessor pursuant to such power of attorney as long as such actions are taken in good faith and do not constitute gross negligence or wilful misconduct.

D. Lease is hereby amended to restate Section 16(c)(i) to read in its entirety as follows:

(i) Kasgro Leasing agrees that it shall maintain a fixed charge coverage ratio of not less than 1.00 to 1.00 as of the last day of each fiscal year, beginning with the fiscal year ending December 31, 2000. Kasgro Rail agrees that it shall maintain a fixed charge coverage ratio of not less than 1.25 to 1.00 as of the last day of each fiscal year, beginning with the fiscal year ending December 31, 2000. For purposes of this Lease, "fixed charge coverage ratio" shall mean the ratio of Cash Flow to Fixed Charges where (i) "Cash Flow" is the sum of net earnings, plus depreciation, plus interest expense and operating lease expense, minus member distributions and/or dividends, and (ii) "Fixed Charges" is the sum of the current portion of all long term debt, plus interest expense, plus operating lease expense, and plus non-financed capital expenditures. Such covenants shall be tested using the audited financial statements of each of Kasgro Rail and Kasgro Leasing.

E. As amended by this Amendment, the Lease shall remain in full force and effect, and all references in the Lease or in any of the other Operative Documents to the Lease shall mean the Lease as amended by this Amendment.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Amendment to be duly executed and delivered on its behalf by its respective representatives thereunto duly authorized as of the date first set forth above.

KASGRO RAIL CORP.

By:   
Jeffrey B. Hunt  
Vice President

By: \_\_\_\_\_  
Jeffrey L. Plut  
Vice President

By: Mathew F. Iacucci  
Mathew Iacobucci  
Vice President

On this \_\_th day of March, 2001, before me, personally appeared Jeffrey L. Plut, to me personally known, who being by me duly sworn, says that he is Vice President of Kasgro Rail Corp, a Pennsylvania corporation, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

On this \_\_th day of March, 2001, before me, personally appeared Jeffrey L. Plut, to me personally known, who being by me duly sworn, says that he is Vice President of Kasgro Leasing, LLC, a Pennsylvania limited liability company, that said instrument was signed on the date hereof on behalf of said limited liability company by authority of its Manager; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

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KASGRO LEASING, LLC

By: [Signature]  
Jeffrey A. Plut  
Vice President

FIRSTAR BANK, N.A.

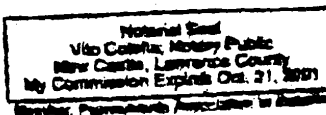
By: \_\_\_\_\_  
Mathew Jacobucci  
Vice President

STATE OF PA )  
 ) ss:  
COUNTY OF Law )

On this 30th day of March, 2001, before me, personally appeared Jeffrey L. Plut, to me personally known, who being by me duly sworn, says that he is Vice President of Kasgro Rail Corp, a Pennsylvania corporation, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]  
Notary Public

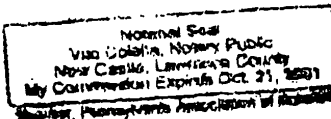
STATE OF PA )  
 ) ss:  
COUNTY OF Law )



On this \_\_\_th day of March, 2001, before me, personally appeared Jeffrey L. Plut, to me personally known, who being by me duly sworn, says that he is Vice President of Kasgro Leasing, LLC, a Pennsylvania limited liability company, that said instrument was signed on the date hereof on behalf of said limited liability company by authority of its Manager; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

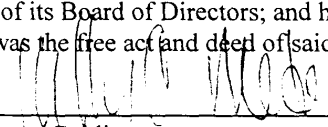
[Signature]  
Notary Public

STATE OF OHIO )



STATE OF OHIO                    )  
  ) ss:  
COUNTY OF HAMILTON    )

On this 21<sup>st</sup> day of March, 2001, before me, personally appeared Mathew Iacobucci, to me personally known, who being by me duly sworn, says that he is Vice President of Firststar Bank, N.A., a national banking association, that said instrument was signed on the date hereof on behalf of said banking association by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

  
\_\_\_\_\_  
Notary Public

KELLY C. MEDER  
Notary Public, State of Ohio  
My Commission Expires Oct. 18, 2004

**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: \_\_\_\_\_

April 5, '01

\_\_\_\_\_  
Robert W. Alvord

